

Moscow Has More Empty Offices Than Ever Before

By [The Moscow Times](#)

October 13, 2015

The  Moscow Times

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The number of empty offices in Moscow has risen to a record high as demand for commercial real estate wanes amid an economic slump, a study published Tuesday showed.

Of the 15.2 million square meters of office space in the capital, 2.95 million were vacant in the third quarter of the year — the highest proportion in the history of the market — the report by consultancy Knight Frank revealed.

There are now 1 1/2 times more empty offices in the city than during the economic crisis of 2008–09, when the previous record was set.

The increasing vacancy rate comes as businesses in Moscow struggle with a deep recession and Western sanctions imposed over Ukraine that have damped foreign investment. As a

result, the vacancy rate for class A office space reached 25.5 percent in the third quarter, while 17 percent of class B office space was empty, the report said.

Slack demand for offices — together with high interest rates on loans — has also depressed construction activity.

In the first nine months of the year, the volume of new office space on the market in Moscow totaled 464,000 square meters, 55 percent less than in the same period last year, according to Knight Frank.

The report said 620,000 square meters of new office space would be added to Moscow's stock over the full year, instead of the 1 million square meters that the company forecast earlier.

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